GOVERNMENT OF INDIA
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
LOK SABHA

UNSTARRED QUESTION NO:3645
ANSWERED ON:11.08.2015
Procurement at Higher Price
Chaudhary Shri P.P.;Joshi Shri Chandra Prakash

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether the Union and the State Governments through various agencies procure foodgrains at prices lower or higher than the Minimum Support Price (MSP) under specific circumstances;

(b) if so, the details thereof indicating the quantum and the price of produce so procured during the last three years;

(c) whether any order had been issued to buy lustre less wheat at relaxed quality norms;

(d) if so, the details thereof indicating the below average quality wheat bought following the said order;

(e) whether the Union and the State Governments have compensated the losses incurred by the procurement agencies for such procurement; and

(f) if so, the details of the total procurement made along with the amount spent by the States and the Centre in this regard during the said period?

Answer

MINISTER OF CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION
(SHRI RAM VILAS PASWAN)

(a): Yes, Madam. Under specific circumstances, when relaxations in quality specifications with certain value cut are declared by the Central Government, Government agencies procure foodgrains at price lower than Minimum Support Price (MSP) imposing value cut accordingly.
...2/-

...2...

(b): The quantum of wheat procured under relaxed specifications (URS) during the last three years are as under-
(in lakh MT)
Rabi Marketing Season (RMS) Procurement
2013-14 0
2014-15 2.17
2015-16 266.26

The information about quantum of paddy/rice procured under relaxed specification during last three years is being collected.

MSP of wheat and paddy/rice with value cut imposed for URS during last three years and current year is enclosed as Annex-I.

(c) & (d): Yes, Madam. During the current Rabi Marketing Season (RMS) 2015-16, due to unseasonal & intermitted rains relaxation in uniform specifications of wheat have been allowed to the State of Gujarat, Madhya Pradesh, Rajasthan, Punjab, Haryana, Uttar Pradesh and Chandigarh (Union Territory). Details of the relaxation granted to the States are at Annex-II. The below average quality wheat under URS bought following the said order during RMS 2015-16 is 266.26 lakh MT.

(e)&(f): In this regard it is submitted that for RMS 2015-16, keeping in view the damage to wheat crop due to adverse weather condition, Government of India (GOI) has decided to reimburse the amount of value-cut to be borne by State Govt./Agencies through FCI after end of procurement operations to the concerned State Government/Agencies on submission of bill alongwith supporting documents. In case of States which have adopted Decentralized Procurement Scheme (DCP), the GOI has decided to reimburse the amount directly by the Department of Food & Public Distribution on submission of claim by the State Government/Agencies.

The State-wise details of total procurement of wheat under relaxed specification made during RMS 2015-16 are at Annex-III. The amount spent by the States and the Centre towards value cut is not known at this stage as accounts have not been finalized.
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